

Remarks by Senator Tom Harkin
National Association of Independent Colleges and Universities
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Thank you, Gary, for those kind words. I am grateful to you and David Warren for inviting me to speak, this morning.

I must say, I find it a bit intimidating to be surrounded by so many college presidents and distinguished academics. I myself come from humble roots. My dad was a coal miner, who left school after the 6th grade to help support his family. Actually, Dad *claimed* to have finished 8th grade, but he was Irish and liked to boast!

So it's an honor to speak before such a distinguished audience. And, on this cold February morning, I appreciate the warm welcome.

In turn, I welcome all of you to Washington. And a very special welcome to the large contingent of Iowa college and university presidents.

As this audience can appreciate, we Iowans are extremely proud of our tradition of small, high-quality independent institutions. Iowa's 29 private colleges and universities confer 46 percent of all undergraduate degrees in our state, and they confer 36 percent of all graduate degrees. But, inevitably, their high quality comes with a price tag.

That's one reason why I believe so strongly in federal student aid programs. This issue is personal with me. Coming from a family of very modest means, college could have been out of reach for me if I hadn't received federal loans and grants.

My bedrock belief is that a primary role of government is to provide a *ladder of opportunity* so that *everyone* has a fair shot at the American dream. What Lyndon Johnson did with the Great Society was to create the crucial *rungs* on that ladder of opportunity, including the 1965 Higher Education Act.

Notice I didn't say escalator, I said *ladder*. This is not about a free ride. I don't believe in free rides. With a ladder, you still have to exert energy and effort and responsibility to get to the top. But the rungs should be there. Those rungs include maternal and child health care – because preparation for learning begins in the womb – Head Start, quality public schools, 21st century job training, and generous tuition assistance to help kids of modest means to go to college.

This ladder of opportunity was there for me – and for many others in this room. And, today, we have a duty to keep that ladder solidly in place -- with *all* of its rungs: Pell Grants, work study, Perkins Loans and all the rest.

And by the way, it is not only *government* that provides that ladder of opportunity. I want to acknowledge and applaud America's private colleges and universities for your extraordinary generosity. Last year, just in my state of Iowa, private colleges provided nearly \$300 million in *institutionally* funded financial aid to students. This is something that you folks should be very proud of.

Now, you have come to Washington at a pivotal moment. Yesterday, the White House released its proposed budget for FY 2011. And, as you know, the President has proposed a freeze on most domestic discretionary funding.

I have nothing against freezes. Heck, I'm from Iowa. We're used to being frozen. But I do have a problem with imposing freezes on those at the bottom, the most vulnerable people in our society. I think we can agree that children and college students bear not one scintilla of blame for the economic mess we're in. And they shouldn't bear the brunt of the pain involved in getting us out of it.

To his credit, President Obama agrees. In his budget proposal, he provides increases for K-12 education and higher education, including increases for the Pell Grant and more generous loan repayment terms for student borrowers.

The President has proposed significant cuts to programs that are ineffective or wasteful – which brings me to the subject of the Federal Family Education Loan Program.

In these tough economic times, at a time when we are imposing an overall spending freeze, we cannot in good conscience continue an indirect student lending program that is expensive, wasteful, and utterly unnecessary.

Direct loans provide nearly the same loans and terms as the FFEL program. So why not cut out the middle man? Why not save the \$87 billion in unnecessary subsidies we would pay to banks over the next decade, and redirect that money to students and families?

This is what our kids call a “no-brainer.” But that does not mean that it will be easy to get it done here in Washington, where the usual rules of common sense don't seem to apply.

The harsh reality is that the special interests – I mean, the banks and the student loan industry – are determined to block our reform of student lending. And their allies in the Senate have made it clear that they would filibuster any bill that ends FFEL.

That's why, as chair of the HELP Committee, I have been working on a reconciliation bill that will allow us to move this and other reforms with 51 votes. Majority rule – what a concept!

I have been working with the Senate leadership to move this reconciliation bill to the front of the line, in addition to a jobs bill and a few other priorities in the near future.

At the core of this bill is a significant increase in the Pell Grant program. And here is the biggest payoff from ending FFEL: The education reconciliation bill will include a \$38 billion investment in increasing the maximum Pell Grant award.

The bill will increase the maximum Pell Grant award from \$5,550 next year by one percentage point above the inflation rate, so we can come closer to maintaining the purchasing power of these grants. You all know firsthand what a critical instrument Pell Grants are in helping low-income students to attend your fine institutions, so we cannot miss this opportunity to make this historic investment in this program.

A new \$38 billion investment in Pell Grants is what I call “change you can believe in.” However, as you know very well, increasing *access* to higher education is only half the equation. We also need to do a better job of helping students to stay in school and graduate.

One year ago, in his first address to Congress, President Obama set a national goal for the United States to become No. 1 in the world with the highest proportion of college graduates by the year 2020.

We’ve got our work cut out for us. Fifteen years ago, the United States ranked *first* in college completion rates. Today, we rank *thirteenth*.

Fewer than 60 percent of students who enroll in four-year colleges graduate within six years. For students from low-income backgrounds, only 40 percent complete a two- or four-year degree within six years.

These students have to overcome social, cultural, and class barriers in order to get their degrees. They need and deserve our help.

I salute NAICU for taking the lead, this week, with your “Building Blocks to 2020” initiative. Private institutions already do a terrific job – better, on average, than public universities – of helping first-generation college students to graduate with a bachelor’s degree. With this new “Building Blocks” initiative, you will do an even better job.

I want the Federal government to be a robust partner in improving completion rates. As part of the education reconciliation bill, I am drafting a provision that will create a competitive grant program for institutions that have effective programs to boost graduation rates among low-income, first-generation students as well as students with disabilities. This program will include funding to provide technical assistance to smaller institutions that otherwise might not have the resources to apply for these grants.

This is all about strengthening that ladder of opportunity – to give everyone a shot at achieving and succeeding.

My Republican friends like to talk about creating an “opportunity society” and an “ownership society.” I’m all for those things, too. But let’s be clear: We can’t talk about an “opportunity society” at the same time we are denying access to college to millions of students of modest means. And we can’t talk about an “ownership society” at the same time we are saddling college students with tens of thousands of dollars in bills and debt.

We have got to do better!

We have got to strengthen programs with a proven track record of helping kids *aspire* to college, *prepare* for college, *pay* for college, and *graduate* from college.

Many years ago, when I first became chair of the Appropriations Subcommittee on Labor, Health and Human Services, and Education, my colleague Danny Inouye, the chair of the Appropriations Subcommittee on Defense, said something that I have never forgotten. He said that his subcommittee *defends* American, and my subcommittee *defines* America.

I am now more determined than ever to use that subcommittee – as well as my new position as chair of the HELP Committee – to define American as a decent, fair, compassionate society, with a strong ladder of opportunity for *every* American.

And, to that end, I make this pledge to America’s independent colleges and universities. I deeply respect and appreciate all that you do to strengthen that ladder of opportunity. And I am 100 percent committed to helping you in your important work.

Thank you, again, for your warm welcome, this morning!